

## Message Text

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ACTION STR-04

INFO OCT-01 AF-08 IO-13 ISO-00 STRE-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 OIC-02 ARA-06 EA-07 EUR-12 NEA-10 /139 W

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R 151811Z APR 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1408

INFO AMEMBASSY LAGOS

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ACTION STR

H PASS CODEL

E.O. 11652: N/A

TAGS: MTN, ETRD, GATT

SUBJ: MTN TROPICAL PRODUCTS CONSULTATIONS - NIGERIA

1. SUMMARY: NIGERIA WAS NONCOMMITTAL ON QUESTION OF CONTRIBUTIONS TO TROPICAL PRODUCTS NEGOTIATIONS AND WAS NOT PREPARED TO COMMENT ON U.S. LIST. WHILE EXPRESSING GENERAL SATISFACTION WITH THE U.S. OFFER, NIGERIA CRITICAL OF U.S. FOR HAVING OMITTED SEVERAL ITEMS OF TRADE INTEREST. END SUMMARY.

2. TROPICAL PRODUCTS (TP) CONSULTATIONS HELD WITH NIGERIA (ADEWAKEN) ON APRIL 13. PRIMARY PURPOSE WAS TO APPRISE NIGERIA OF SPECIFIC ACTIONS WE WERE REQUESTING OF THEM AS CONTRIBUTIONS TO TP NEGOTIATIONS. IT WAS ALSO AN OPPORTUNITY FOR THE U.S. TO RESPOND TO ANY FURTHER

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QUESTIONS NIGERIA MIGHT HAVE ON OUR OFFER. U.S. (GRAEF)

STATED THAT IN ACCORDANCE WITH PARA. 5 OF THE TOKYO DECLARATION, BOTH OUR OFFER AND THE SPECIFIC CONTRIBUTIONS REQUESTED OF NIGERIA REFLECTED NIGERIAN TRADE, DEVELOPMENT, AND FINANCIAL NEEDS. AS A MATTER OF RECORD, WE WERE SEEKING CONTRIBUTIONS SUBSTANTIALLY LESS IMPORTANT IN TRADE TERMS THAN OUR OFFER.

3. NIGERIA DID NOT IMMEDIATELY RESPOND EITHER POSITIVELY OR NEGATIVELY TO CONCEPT OF SPECIFIC CONTRIBUTIONS. THEY TOOK TACK OF ASKING WHAT RESPONSE WE HAD RECEIVED FROM THE PRINCIPAL SUPPLIERS ("MAIN BENEFICIARIES") OF PRODUCTS ON OUR OFFER LIST TO NIGERIA. UNTIL THEY HAD SOME INDICATION OF THE EFFECT OF SUCH RESPONSES ON U.S. OFFERS, NIGERIA BELIEVED A RESPONSE TO OUR REQUEST FOR CONTRIBUTIONS WOULD BE UNWISE. LATER IN CONSULTATIONS, NIGERIA STATED THAT THEIR CONTRIBUTIONS SHOULD COME AS PART OF THE "TOTAL ARRANGEMENT" (END-OF-THE-DAY). IN ANY CASE, BASED UPON AN "OVERALL CONSIDERATION" OF WHAT HAS BEEN DONE SO FAR, NIGERIA FELT NO CONCESSIONS WERE CURRENTLY WARRANTED. IF THE U.S. IS LOOKING FOR SOME TANGIBLE COMMITMENT BY NIGERIA, WE MIGHT LOOK AT ACTIONS THEY'VE TAKEN CONSISTENT WITH THE WORK GOING ON IN NTB GROUPS, E.G., ELIMINATION OF CONSULAR FORMALITIES.

4. U.S. NOTED THAT THE CURRENT ROUND OF CONSULTATIONS WASN'T FAR ENOUGH ALONG TO ANSWER THE QUESTION OF PRINCIPAL SUPPLIER REACTIONS. (WE DID INFORM NIGERIA THAT THE BRAZILIANS HAD WITHDRAWN THEIR REQUEST ON COCOA BUTTER.) U.S. WAS NOT, HOWEVER, SETTING A DEADLINE FOR RESPONSE TO ITS REQUESTS, NOR WAS IT LINKING SPECIFIC CONTRIBUTIONS TO INDIVIDUAL OFFERS. WE DID FEEL STRONGLY THAT THE TP EXERCISE WAS A NEGOTIATION, IMPLYING CONTRIBUTIONS BY ALL PARTIES. AS WE HAD STATED PREVIOUSLY, THE WORK ON GENERAL APPROACHES (NTMS) DID NOT YET LEND ITSELF TO THE TYPE OF BALANCING OF OFFERS AND CONTRIBUTIONS WE FELT WOULD CONTRIBUTE TO A PRODUCTIVE TP OUTCOME.

5. U.S. OFFER. IN REVIEWING OUR OFFER, WE NOTED THAT IN TRADE VALUE TERMS, ITEMS OF INTEREST TO NIGERIA WERE LIMITED OFFICIAL USE

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IN EXCESS OF \$7 M (1974 STATS.). WE WOULD MAKE BOUND MFN CONCESSIONS, WHICH WERE BETTER THAN GSP BECAUSE OF THEIR PERMANENCE AND THE POSITIVE INVESTMENT INCENTIVES SUCH SECURITY OF MARKET ACCESS PROVIDED. ON TWO ITEMS (TSUS 156.35 AND 176.04), U.S. NOTED THAT IT WOULD BE DIFFICULT TO USE OUR TRADE ACT AUTHORITY TO BIND THESE ITEMS DUTY-FREE UNLESS MEANINGFUL CONTRIBUTIONS WERE RECEIVED FROM COUNTRIES BENEFITTING

FROM THE REDUCTIONS. IN RESPONSE TO A NIGERIAN POINT  
RE BRAZILIAN PRINCIPAL SUPPLIER POSITION ON COCOA  
BUTTER, WE REMINDED NIGERIA THAT TRADE STATS. SHOW  
VERY IMPRESSIVE NIGERIAN EXPORT PERFORMANCE IN THIS  
ITEM. RECALLING OUR PREVIOUS STATEMENTS ON THE SUBJECT,  
U.S. SAID U.S. LOCAL AND STATE SALES TAXES NOT NEGOTIABLE.

6. NIGERIAN REACTIONS TO U.S. OFFER: NIGERIA SNIPED  
AT U.S. OFFER THROUGHOUT CONSULTATION. THEY NOTED  
RELATIVE ABSENCE OF "PROCESSED PRODUCTS" FROM OFFER, WHICH  
WE EXPLAINED RESULTED BECAUSE NIGERIA AND LDCS HAD VERY  
MINIMAL, IF ANY, TRADE IN THESE ITEMS AND UNDER THESE  
CONDITIONS, WE COULD NOT MAKE OFFERS ON THEM. THEY ALSO  
CITED OMISSION OF PEANUTS, ALLUDING TO U.S. SUBSIDIZATION  
OF PRODUCTION. U.S. EXPLAINED WE HAD SUBSIDIZED TEMPORARILY  
PRODUCTION OF PEANUT OIL, NOT EDIBLE PEANUTS.

7. REVIEW OF U.S. LIST OF POSSIBLE CONTRIBUTIONS: U.S.  
STATED WE SOUGHT 50 PERCENT REDUCTION OF TARIFF ON ONE  
ITEM, INEDIBLE TALLOW. NIGERIA QUESTIONED ACCURACY OF  
TARIFF RATE SHOWN ON LIST WE SUBMITTED. NIGERIA STATED  
THEIR RECENT RESTRUCTURING OF THE NIGERIAN TARIFF BROUGHT  
RATES DOWN TO A MUCH LOWER LEVEL WHEN, AS WAS THE CASE  
FOR THIS ITEM, THERE WAS NO DOMESTIC PRODUCTION. OUR  
LIST WOULD BE SENT TO LAGOS FOR COMMENT AND VERIFICATION  
OF THE DUTY RATE.

8. GSP: NIGERIA INQUIRED IF THERE WERE ANY PROGRESS  
TOWARD DESIGNATION OF NIGERIA AS ELIGIBLE FOR U.S.  
GSP. WE RESPONDED BY CITING CONTINUING ADMINISTRATION  
SUPPORT FOR GREEN AMENDMENT AND GROWING SENATE INTEREST  
IN BETTER TREATMENT FOR NONBOYCOTTING OIL PRODUCERS,  
WHICH MAY CONTRIBUTE TO QUICKER CONGRESSIONAL ACTION.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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